SUPREME COURT, U. S.

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JOHN F. DAVIS, CLERK

Supreme Court of the United States

October Term, 1969

No. 445

STANDARD INDUSTRIES, INC.,

Petitioner,

against

TIGRETT INDUSTRIES, INC.,

Respondent.

On Writ of Certiorari
To The United States Court of Appeals
For The Sixth Circuit

Petition For Certiorari Filed August 8, 1969
Certiorari Granted October 27, 1969

PETITION FOR RECONSIDERATION

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Supreme Court of the United States

October Term, 1969

No. 445

STANDARD INDUSTRIES, INC.,

Petitioner,

against

DORRIS INDUSTRIES, INC. (Ltd.),

Respondent

On Writ of Certiorari
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PETITION FOR RECONSIDERATION

application that the matter should be referred back to the District Court for a determination of patent validity.

The four Justices, constituting an even number of an equally divided Court, did not file any opinion affirming the determination of the United States Court of Appeals for the Sixth Circuit.

It is respectfully submitted that, in rendering the majority opinion, the four Justices involved overlooked a very significant point relating to the obligation on the part of Standard Industries, Inc. to pay royalties under U. S. Patent 3,162,865. It is noted that on Page 76a and 77a of the Appendix, an Assignment of this patent was given by Tigrett Industries, Inc. (the Respondent herein) to Jackson Furniture Corporation (an organization not a party to this litigation) and that this Assignment was executed on December 22, 1964 (prior to the institution of the present litigation). On Page 77a of the Appendix, the following clause appears:

> Furthermore, in the further consideration of the transfer and sale of this patent to Jackson Furniture Corporation, in addition to the payment of the purchase price for said patent to be paid pursuant to the agreement aforesaid to the said John Burton Tigrett, my individual, Jackson Furniture Corporation agrees to pay to Tigrett Industries, Inc. for a period of five (5) years after the 31st day of December, 1964, an additional two (2%) per cent on the net selling price of all units sold which units shall embody the use of this patented invention. The net selling price of all units sold shall be the amount received by Jackson Furniture Corporation from the sale of such units, without any deduction for the

counts, commissions or selling expense. Credit may be given for returned goods. * * * "

All play pens involved herein claimed to embody the teachings of United States Letters Patent, 3,163,8[illegible] have not been sold by Standard Industries, Inc., the respondent herein, but by Jackson Furniture Corporation.

Obviously, under the circumstances, Tigrett Industries, Inc. had no title to the patent involved at the times of the institution of this action and therefore the suit involved herein should be dismissed by reason thereof.

The Petitioner regrets that it did not bring this fact more forcefully to the attention of the Court on the argument of this application. However, it is obvious that the facts involved are true and conceded and therefore this Court should dismiss the complaint herein. The facts with respect to the Assignment involved have been, of course, before the Court throughout this proceeding.

It is possible that the Respondent may claim that Jackson Furniture Corporation, while an independent corporation, has stock owned by Standard Industries, Inc. However, under well recognized rules of law, ownership of a subsidiary corporation does not subject the subsidiary to liability for patent royalties unless the subsidiary is a party to the action. It is also possible that the Respondent may claim that Standard Industries, Inc. is liable for royalties of goods sold by its subsidiary, Jackson Furniture Corporation. However, since Jackson Furniture Corporation would then also be liable, the Petitioner would be put in a position where it would be subject to a double liability for royalties on the same sales which, of course, would be an unconstitutional deprivation of property in violation of the Fifth and Fourteenth Amendments to the Constitution of the United States.

As a second ground for urging reconsideration of the prior decision, the Petitioner respectfully submits that this case was decided by an eight justice Court. The principal issue in this case involved the "Doctrine of Equivalants" and whether such doctrine should be permitted to remain in effect in view of the provisions of the Patent Act of 1953. This point was extensively briefed by both sides and *amicus* briefs were filed by the Attorney General and the American Patent Law Association. Presumably, within the next few weeks, there will be a Ninth Justice appointed to this Court. It is respectfully submitted that the questions involved in this case should be considered by said Ninth Justice in view of the fact that an evenly divided Court disposed of this issue in the above case.

Generally, of course, Appellate Courts are composed of an odd number of justices in order to avoid a situation such as occurred in this case. It is respectfully submitted that, since the possibility exists for an additional Justice to consider the issues in this case, and since the case is one of great public importance, that the question be considered by the new Justice who will be undoubtedly sitting on this Court within a very short time.

For all of the above reasons, the Petitioner respectfully requests that the Petition for Reconsideration herein be granted. The Petitioner further requests that a hearing be set by this Court with respect to the issues contained in this Petition.

Certificate of Counsel

I, MAXIMILIAN BADER, a member of the bar of this Court and attorney for the petitioner, hereby certify that this petition for rehearing is made in good faith and not for purposes of delay and there are good grounds, in the opinion of the undersigned, to support this petition.

Respectfully,

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